

**Testimony of Duane DeKrey, General Manager, Garrison Diversion Conservancy  
District  
Senate Bill 2014  
House Appropriations - Government Operations Division Committee  
Bismarck, North Dakota – March 8, 2021**

Good morning, Chairman Vigessa and members of the House Appropriations Government Operations Division Committee. Thank you for this opportunity to testify in support of Senate Bill 2014. My name is Duane DeKrey and I am the General Manager for the Garrison Diversion Conservancy District (Garrison Diversion.) Garrison Diversion is a cosponsor of the Red River Valley Water Supply Project along with the Lake Agassiz Water Authority (Lake Agassiz).

The Red River Valley Water Supply Project is a plan to safeguard water for North Dakota communities and rural water systems in times of moderate and severe droughts. The Project will deliver water from the Missouri River to central and eastern North Dakota via a buried pipeline. 35 cities and rural water systems signed up for the development portion of the Project. When complete, the Red River Valley Water Supply Project will serve about 50% of North Dakota's population.

Investing in North Dakota is important. Investing in North Dakota infrastructure has the ability to serve multiple generations and safeguard our water supply. We know that a 10-year drought similar to the 1930s dust bowl would have a \$27 billion impact on the entire state of North Dakota. A moderate drought similar to what North Dakota experienced in the 1980s would have more than a billion-dollar impact. Both scenarios would be devastating to the state's communities and industries and our long-term economy.

Therefore, Garrison Diversion respectfully requests that the RRVWSP be included as a project with a maximum term of up to the lesser of forty years or the useful life of the project. Under Section 16, Subsection 1 of SB 2014, it states that "the maximum term of a loan made under this section is the lesser of thirty years or the useful life of the project, except for projects

under subdivisions n,o, and p of subsection 2., which may have a maximum term of up to the lesser of forty years or the useful life of the project." Garrison Diversion and Lake Agassiz are concerned about the ability of the smaller water systems and cities involved with the Red River Valley Water Supply Project to afford the cost of participation without longer loan terms.

Garrison Diversion and Lake Agassiz see the opportunity of a long-term, low-interest loan from the State as a critical step to provide affordable and predictable financing for the local users of the Red River Valley Water Supply Project. Specifically, we are requesting a 40-year loan term with 2% interest to ensure participating communities and rural water systems can gain affordable access to this supplemental water supply that will provide resiliency for our people and our economy.

Thank you, Chairman Vigessa and members of the House Appropriations Government Operations Division Committee.